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STATE DOCUMENTS

ANNUAL REPORT
OF THE
MONTANA STATE AUDITOR

TO THE
GOVERNOR OF MONTANA
HONORABLE THOMAS L. JUDGE


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Helena, Montana 59601

FOR THE
FISCAL YEAR ENDED
JUNE 30, 1973

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MSE NOV 16 '77

STATE OF NEW YORK

IN SENATE
January 10, 1978
REPORT
OF THE
COMMISSIONER OF THE
DEPARTMENT OF
SOCIAL SERVICES
ON THE
ADMINISTRATIVE
AND FINANCIAL
OPERATIONS OF THE
DEPARTMENT OF
SOCIAL SERVICES
FOR THE FISCAL YEAR
ENDING DECEMBER 31, 1977

**STATE OF MONTANA**

OFFICE OF
E. V. "SONNY" OMHOLT

STATE AUDITOR

COMMISSIONER OF INSURANCE
INVESTMENT COMMISSIONER
CENTRAL PAYROLL SYSTEM
STATE FIRE MARSHAL

HELENA, MONTANA 59601

October 12, 1973

The Honorable Thomas L. Judge
Governor
State of Montana
Helena, Montana

Re: Annual Report

In accordance with the requirements of Section 82-4002, R.C.M., 1947, there is herewith transmitted to you the report of the State Auditor for the fiscal year ending June 30, 1973.

It is the purpose of the State Auditor, an elective officer, to serve the citizens of this state and our colleagues in the manner and spirit established by the laws and constitution of the State of Montana. This has been accomplished.

In accordance with the statutory responsibility of function as Ex Officio Commissioner of Insurance, Investment Commissioner and Director, Central Payroll the State Auditor must delegate specific and assigned duties to deputies and assistants possessing technical knowledge and skill commensurate with the tasks at hand. With a public demand for additional services this office stands ready to meet all requests.

This report is respectfully submitted.

Sincerely,

E. V. "SONNY" OMHOLT
State Auditor

EVO:eh

THE STATE OF KANSAS

IN SENATE

January 12, 1947

REPORT OF THE

COMMISSIONER OF

THE STATE OF KANSAS

TO THE SENATE

REPORT OF THE COMMISSIONER OF THE STATE OF KANSAS

TO THE SENATE

REPORT OF THE COMMISSIONER OF THE STATE OF KANSAS

STATE AUDITOR

PRINCIPAL ADMINISTRATIVE OFFICERS

THE HONORABLE E. V. "SONNY" OMHOLT	State Auditor
Roy L. Phelps	Chief Deputy State Auditor
William E. Smith	Chief Deputy Commissioner of Insurance
Harry H. Jones	Chief Deputy Investment Commissioner
Maurice W. Smith	Executive Administrator Hail Insurance Board
Kathleen M. Behm	Director Central Payroll
Elizabeth B. Hallowell	Administrative Assistant

Principal Offices

Capitol - Helena, Montana 59601
Central Payroll - Sam W. Mitchell Building - Helena, Montana 59601
Hail Insurance Board now a division of the Department of Agriculture

STATE BOARD

REGULATORY ADMINISTRATIVE SERVICES

State Auditor

THE UNIVERSITY OF MICHIGAN

ANN ARBOR, MICHIGAN

WILLIAM W. BROWN

EDWARD J. BROWN

WILLIAM W. BROWN

EDWARD J. BROWN

WILLIAM W. BROWN

Chief Deputy State Auditor

Chief Deputy

Commissioner of Insurance

Chief Deputy

Investment Commissioner

Executive Administrator

Health Insurance Board

Director

Central Payroll

Administrative Assistant

GENERAL

The State Auditor in Montana is a constitutional official of the Executive Branch of State Government. The state constitution - both the old constitution and the recently adopted new constitution - provide that the State Auditor is to be elected at general elections and to serve a four year term to perform such duties as prescribed by the state constitution and law.

By statute, the office of the State Auditor retains the following functions:

Insurance Regulation - Regulation of the insurance industry in the state.

Investment Regulation - Administration of the Montana Securities Act.

Certain fiscal control functions - The main duties are the physical control, signing and distribution of state warrants and administration of the state central payroll system.

Until September 1, 1972, the State Auditor, in his capacity as commissioner of insurance, also had the statutory responsibility for administration of the office of the state fire marshal. This function has since been transferred to the state department of justice, pursuant to the executive reorganization act of 1971.

The 1971 Reorganization act provided for the transfer of administrative operations of the State Board of Hail Insurance to the office of the State Auditor. The 1973 Legislative assembly subsequently passed legislation (Chapter 395, Laws of 1973) to transfer the responsibility for the board's administrative operations from the State Auditor's office to the State Department of Agriculture, effective July 1, 1973.

The State Auditor is a constitutional officer of the Executive branch of State Government. The State Auditor - but the State Auditor is not a member of the Legislature - provides the State Auditor is to be elected at general election and to serve a term of four years as prescribed by the State Auditor.

The office of the State Auditor is to be held by the following:

1. The State Auditor is to be elected at general election.

2. The State Auditor is to be elected at general election.

3. The State Auditor is to be elected at general election.

4. The State Auditor is to be elected at general election.

5. The State Auditor is to be elected at general election.

6. The State Auditor is to be elected at general election.

7. The State Auditor is to be elected at general election.

8. The State Auditor is to be elected at general election.

AUDITOR

The office of Montana State Auditor is an elective office, first created in 1885 by the Montana constitution and continued under the newly written Montana constitution.

In addition to supervising the auditing of the state's fiscal operations, the State Auditor is also:

Section 40-2701 - Ex Officio Commissioner of Insurance
 Section 15-2001 - Ex Officio Investment Commissioner
 Section 25-5071 - Director - State Central Payroll
 - Director - Board of Hail Insurance
 Section 23-1814 - Member State Election Canvas Board
 Section 44-402 - Member - Board of Trustees - State Law Library

The State Auditor is accountable for all warrants issued through the state's central accounting system; auditing of state warrant expenditure computer runs; maintaining a detailed accounting of all outstanding warrants; auditing of cash in State Treasury transactions; distribution of warrants to appropriate payee and proper recording and storage of all cashed state warrants. The Auditor is also charged to collect and pay into the State Treasury all fees received by him and to perform such other duties as prescribed by law.

PRINCIPAL GOALS

Principal goals of the office of State Auditor are to continue the maintenance of a system of checks and balances to enable the State Auditor to suggest plans for improvement and management of public revenue, as well as to provide a fiscal information center for the use of all other state agencies, state departments and to serve courteously and efficiently all citizens of this state.

During the period covered by this report, the programs administered by the State Auditor's office consisted of administrative support, fiscal management and control, insurance regulation, investment regulation and fire prevention. The office is located in the capitol.

The office had recorded expenditures of \$489,289 for operations during 1972-73. Cross over matrix and supporting exhibits show the office collected and distributed over \$8,000,000 in revenue and \$70,000,000 in administering the central payroll operation.

During the period 1961-1962, the program

was carried out by the State Auditor, Office of Administrative
Services, and the State Auditor, Office of Financial Management. Investment
in the program was made in the form of a loan to the State of New York.
The loan was made in the form of a loan to the State of New York.

The loan was made in the form of a loan to the State of New York.
The loan was made in the form of a loan to the State of New York.
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STATE OF MONTANA

Annual Report

STATE AUDITOR

Date: October 10, 1973

Incumbent: E. V. "SONNY" OMHOLT

Reports to: Electorate

State Auditor & Ex Officio
Commissioner of Insurance
Investment Commissioner
Member - State Canvas Board
State Land Board
State Law Library Board
Director - Central Payroll

Position or Duties:

Montana Constitution 1972

Article VI, Sections 1-4. The State Auditor shall have such duties as provided by law.

Article X, Section 4. Provides that the State Auditor shall be a member of the State Land Commission

Montana State Auditor Statutory Responsibilities

R.C.M., 1947 w/changes. Section 15-2001 (Blue Sky Laws)

The administration of the provisions of the Securities Act of Montana.

Section 16-2426

The Montana State Auditor reports all state funds, as reconciled with the State Treasurer each month.

Section 23-1814

The State Auditor is a member of the State Election Canvas Board.

Section 25-507.1-.10

State Central Payroll System

Section 25-601

Salaries of certain county officials must be certified to the office of State Auditor.

Section 40-2701

The State Auditor shall be ex-officio Commissioner of Insurance.

State of Texas

County of [illegible]

State of Texas

State Auditor & Ex. Officer
Comptroller of Finance
Investment Commission
Treasurer - State Comptroller
State Land Office
State Law Library Board
Director - Central Library

Section of Finance 1912

1. The State Auditor shall have such duties as may be assigned

to him by the State Board of Finance.

2. The State Auditor shall have such duties as may be assigned

to him by the State Board of Finance.

3. The State Auditor shall have such duties as may be assigned

to him by the State Board of Finance.

4. The State Auditor shall have such duties as may be assigned

Section 44-402

The State Auditor is one of seven members, Board of Trustees,
Montana State Law Library.

Section 79-101 - 110

The State Auditor's duties are to superintend the fiscal concerns
of the state.

Section 83-901

Notice of State Auditor assignments of claims against the State of
Montana, unless the assignee files written notice of any assignment with
the State Auditor's office, said assignment of monies due from the State
of Montana shall be null and void and unenforceable against the state.

Section 93-304

District Judges affidavits.

Section 24-101
The State of New York, in and for the County of Albany,
do hereby certify that the following is a true and correct copy of the

original thereof as the same appears from the records of the County of Albany.

Witness my hand and the seal of the County of Albany, this 1st day of January, 1901.

County Clerk of Albany

MAJOR ACCOMPLISHMENTS - AUDITOR

The major accomplishment of the office of the State Auditor remains as striving for maximum productivity and efficiency in all programs in order to better serve the public and State of Montana.

WARRANTS PROCESSED

<u>1971-72</u>	<u>1972-73</u>	<u>Type of Warrant</u>
419,572	490,451	All Purpose
171,608	216,607	State of Montana payroll
42,961	40,681	Montana State University payroll
32,841	32,097	University of Montana payroll
250	529	State Emergency warrants

FINANCIAL RECAP

Fiscal Management and Control

Personal Services	\$103,791.23
Operations	152,832.31
Capital	<u>549.00</u>
<u>Total</u>	<u>\$257,172.54</u>

Source of Funding

General Fund	\$161,525.22
Revolving Fund	74,974.00
Federal and Private Revenue - EEA	<u>20,673.32</u>
<u>Total</u>	<u>\$257,172.54</u>

Administrative Support

Personal Services	\$ 56,227.62
Operations	<u>300.00</u>
<u>Total</u>	<u>\$ 56,527.62</u>

Source of Funding

General Fund	<u>\$ 56,527.62</u>
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FINANCIAL STATEMENTS

Statement of Financial Position

Assets	Liabilities and Equity
Current Assets	Current Liabilities
Cash	Accounts Payable
Accounts Receivable	Notes Payable
Inventory	Other Liabilities
Prepaid Expenses	Total Current Liabilities
Total Current Assets	
Non-Current Assets	Equity
Property, Plant, and Equipment	Common Stock
Intangible Assets	Retained Earnings
Total Non-Current Assets	Total Equity
Total Assets	Total Liabilities and Equity

Statement of Financial Position

Assets	Liabilities and Equity
Current Assets	Current Liabilities
Cash	Accounts Payable
Accounts Receivable	Notes Payable
Inventory	Other Liabilities
Prepaid Expenses	Total Current Liabilities
Total Current Assets	
Non-Current Assets	Equity
Property, Plant, and Equipment	Common Stock
Intangible Assets	Retained Earnings
Total Non-Current Assets	Total Equity
Total Assets	Total Liabilities and Equity

2019

As of June 30, 1973, the State Auditor reported records were kept on 410 active accounts for the State of Montana with 346 balances. Total net cash balance in all state funds as of June 30 was \$12,664,584.32 more than at the close of business June 30, 1972. According to E. V. "Sonny" Omholt, State Auditor, the net cash balance in all state funds as of June 30, 1973, was \$80,959,524.26 compared with \$68,294,939.94 one year ago.

Included in the net cash balance as of June 30 was a General Fund balance of \$26,049,589.14 as compared with \$7,493,108.26 one year ago.

State bonded indebtedness as of June 30, 1973, was \$81,784,100.00 compared with \$85,061,000.00 June 30, 1972. Total state funds invested as of June 30, 1973 was \$347,044,542.64 compared with \$280,044,608.54 the previous year.

CROSSOVER MATRIX

PROGRAM FUND STRUCTURE

PRESENT PROGRAM STRUCTURE	Program Costs 1972-73 F.Y.	Fiscal		Federal and Private Revenue - EEA - 71	Adminis- trative Support - General Fund	General Fund - Insurance Department	General Fund - Investment Department	
		Management	Control					
		General Fund	Central Pay Revolving Fund					
Fiscal Management and Control Auditor	161,525	161,525	74,974					
Central Payroll	74,974							
Insurance Division	142,711					142,711		
Investment Division	32,878						32,878	
EEA - 71	20,673			20,673				
Administrative Support	56,528				56,528			
TOTALS	489,289	161,525	74,974	20,673	56,528	142,711	32,878	

DIVISION - CENTRAL PAYROLL SYSTEM

I. Accomplishments

By the end of the fiscal year arrangements had been made to convert State of Montana payrolls to a uniform bi-weekly system.

We are looking to further improve the payroll system to provide more information needed by various departments.

Currently on the Central Payroll System approximately 10,000 people are paid every other Thursday. The uniform payday has been maintained since its beginning July 1, 1969.

Central Payroll, in looking toward the future, has as the objective paying all State of Montana employees under one system. Presently they are looking forward to putting the smaller university units on the Central Payroll System and then adding all university employees.

II. Recommendations

Again the Central Payroll system would recommend the Central Payroll system be self supporting and bill each agency for payroll services on a per employee per month basis.

One insurance program for all state employees would be beneficial to both the State of Montana and its employees.

DIVISION - INSURANCE

I. Purpose

The purpose or goal of the State Auditor in respect to his duties as Insurance Commissioner is to provide the individual Montana consumer of insurance products with the greatest possible protection while regulating the business in such a way as to encourage the companies to make essential insurance coverage readily available to the public.

II. General Powers and Duties

The statutory power and responsibilities of the State Auditor as Ex Officio Commissioner of Insurance are set out in Chapter 27, Title 40, R.C.M., 1947, and are briefly summarized as follows:

- (a) The legislature, while giving the auditor the authority to act as insurance commissioner, also created an insurance department and stipulated funds adequate for the maintenance and operation of same would be expressly appropriated by the legislative assembly and such funds would be used solely for the purpose for which so appropriated. In this framework of fiscal responsibility the commissioner is charged with enforcing the provisions of Title 40, R.C.M., 1947, and amendments thereto, and in so doing may conduct examinations and investigations as he may deem proper. He has additional powers and duties as are provided by other laws of the state.
- (b) The Commissioner makes reasonable rules and regulations necessary for or as an aid to effecuation of any provision of Title 40.
- (c) As early in the calendar year as is reasonably possible, the Commissioner annually prepares and delivers a report to the legislative assembly and the governor wherein information required by Section 40-2711, R.C.M., 1947, is contained.
- (d) The Commissioner examines the affairs, transactions, accounts, records and assets of each authorized insurer as often as he deems advisable. He shall so examine each domestic insurer not less than every three years. The Commissioner in like manner shall examine each insurer applying for an initial certificate of authority to do business in Montana.

In addition, the Commissioner, may, at any reasonable time, make or cause to be made, an examination of every admitted

The purpose of this report is to provide information to the public regarding the results of the investigation conducted by the FBI in connection with the activities of the [redacted] in the [redacted] area. The results of the investigation are set out in the following sections:

1. Summary of the Investigation

The investigation was conducted by the FBI in connection with the activities of the [redacted] in the [redacted] area. The results of the investigation are set out in the following sections:

The investigation was conducted by the FBI in connection with the activities of the [redacted] in the [redacted] area. The results of the investigation are set out in the following sections:

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The investigation was conducted by the FBI in connection with the activities of the [redacted] in the [redacted] area. The results of the investigation are set out in the following sections:

insurer transacting any class of insurance to which the provisions of Chapter 36, Title 40, as revised, are applicable to ascertain whether such insurer, and every rate and rating system used by it for every class of insurance complies with the requirements and standards of Chapter 36, Title 40, as revised, applicable thereto. Such examination shall not be a part of a periodic general examination participated in by representatives of more than one state.

- (e) For the purpose of ascertaining compliance with Title 40, the Commissioner, as often as he deems advisable, examines the accounts, records, documents and transactions pertaining to or effecting any agent, solicitor any person having a contract under which he enjoys in fact the exclusive or dominant right to manage or control an insurer, any person holding the shares of voting stock or policy holder proxies of a domestic insurer for the purpose of controlling the management thereof as voting trustee or otherwise and any person engaged in or proposing to be engaged in or assisting in the promotion or formation of a domestic insurer or insurance holding corporation or a corporation to finance a domestic insurer or the production of its business.

III. Accomplishments and Services Rendered

- (a) For the fiscal year ending June 30, 1973, a total of \$6,812,473.14 was collected in fees and taxes during the year. The examination staff processed 45 applications by insurers desirous of doing business in Montana, bringing to 897 the number of insurance companies now under the jurisdiction of the insurance department. During the same period six companies withdrew from the state and 12 reorganizations were processed.

For the year 951 agent qualification examinations were given with 152 of these being recorded at the Billings testing site. 56 of these examinations were for variable annuities.

1,183 written insurance complaints and requests for information were received, reviewed and concluded during the year. The policyholders service division receives an additional 1,475 personal and telephone inquires annually on matters pertaining to insurance claims, rates, policies, agents and companies.

19,995 agent licenses, including renewals, were issued during the fiscal year. Approximately 19,703 policy forms were received, reviewed and recorded. In addition, 1,800 special or bureau filings affecting a majority of licensed insurance companies were processed.

IV. Services Provided

1. Collection and allocation for distribution of \$1,066,007.15 in taxes from specified insurance coverage to eligible firemen relief associations and police pension plans.
2. State bonds and/or insurance certificates are reviewed monthly to verify coverage and countersignature of licensed agents of the surety company involved and also to confirm the authority of the company official to execute the bond as power of attorney. This service is performed for the following state departments:
 - Highway
 - Fish and Game
 - Administration
 - Agriculture
 - Livestock
 - Revenue
 - Public Service Regulation
 - Land Commission
3. Each year after renewals have been processed, an individual listing is prepared and mailed to each agent, with the exception of individuals licensed for life only, advising him of how his license appears on department records and listing all insurers who have renewed his appointment for the coming year. This service has been offered only a short time and is of particular value to the agent, due to the fact the only license he holds is a permanent license and unless he has been notified by the insurer, there is some question as to which companies have renewed his appointments.

As a footnote to the achievements of the insurance department it might be interesting to note how Montana compares to bordering states in certain statistical categories which can easily be related to work load activity. The states for which we have accessible data include Idaho, Wyoming and North and South Dakota. Most current figures available are for the year ending December 31, 1971, and were compiled by the Insurance Industry Committee of Ohio. The report indicates the composite staff personnel average is 17 people while Montana had 11 or 41% less. The composite average of companies licensed in the above mentioned states was 803, Montana had 842 or 5% more. Taxes and fees collected by our neighboring states averaged \$4,300,267 or 30% less than the \$6,115,748 collected in Montana for the same year. The appropriation or average budget in the four states was \$216,557 or 57% greater than the \$137,565 expended by Montana.

The Commission and the Board of Directors have been instructed to review the records of the Commission and the Board of Directors and to report to the Commission and the Board of Directors on or before the 31st day of December, 1964.

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Public Service Commission
and
Board of Directors
of the
New York State
Electric and
Gas Corporation
and
the
New York State
Thrift and
Housing Corporation

The Commission and the Board of Directors have been instructed to review the records of the Commission and the Board of Directors and to report to the Commission and the Board of Directors on or before the 31st day of December, 1964.

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FINANCIAL RECAP

Insurance Regulation and Licensing

Personal Services	\$109,359.42
Operations	<u>33,351.98</u>
<u>Total</u>	<u>\$142,711.40</u>

Source of Funding

General Fund	<u>\$142,711.40</u>
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Statement of Income - 7/1/72 to 6/30/73	<u>\$6,812,473.14</u>
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STATE OF MONTANA

E. V. "SONNY" OMHOLT
State Auditor
Commissioner of Insurance
Helena, Montana

INSURANCE DEPARTMENT COLLECTIONS FOR THE FISCAL YEAR ENDING JUNE 30

	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
Agent, Adjuster, Solicitor and Misc. License Fees	\$ 101,165.08	\$ 120,955.00	\$ 91,152.55	\$ 89,746.06	\$ 90,003.73	\$ 89,444.00	\$ 91,092.50	\$ 91,037.50	\$ 99,760.09	\$ 102,890.00	\$ 106,523.50	\$ 116,202.00
Company License and Filing Fee	48,301.60	43,225.30	59,897.38	47,195.52	55,245.91	51,316.34	56,417.91	56,536.57	253,805.56	261,364.54	267,131.00	292,854.00
Fire Marshal Tax	27,511.74	27,313.12	27,817.81	28,721.91	29,880.99	31,860.55	29,971.99	34,902.42	66,951.89	72,487.25	129,230.84	147,829.43
Property, Casualty & Misc. Premium Tax	1,182,051.94	1,290,619.59	1,331,565.13	1,376,939.21	1,480,520.97	1,605,156.69	1,643,102.73	1,786,329.06	2,238,752.59	2,483,285.95	2,920,850.17	3,221,094.70
Marine Premium Tax	243.93	256.01	295.95	159.73	216.54	234.71	268.94	456.76	617.23	295.08	351.18	245.42
Life and Disability Premium Tax	1,086,352.74	1,154,144.40	1,303,425.77	1,388,658.09	1,460,356.80	1,583,303.67	1,643,097.61	1,774,334.12	2,245,201.24	2,445,507.74	2,665,544.61	3,005,580.83
Retaliation Tax	39,937.49	40,457.62	40,083.28	45,818.06	50,827.99	54,635.97	53,555.01	79,020.53	26,610.98	17,594.81	26,119.34	28,666.76
TOTAL	\$2,485,564.52	\$2,676,971.04	\$2,854,237.87	\$2,977,238.58	\$3,167,052.93	\$3,415,951.93	\$3,517,506.69	\$3,822,616.96	\$4,931,699.58	\$5,383,425.37	\$6,115,750.64	\$6,812,473.14

Number of
Companies
Authorized to
do Business in
Montana

897

842

323

805

756

707

651

648

620

582

564

563

	10	20	30	40	50	60	70	80	90	100
100	100	100	100	100	100	100	100	100	100	100
200	200	200	200	200	200	200	200	200	200	200
300	300	300	300	300	300	300	300	300	300	300
400	400	400	400	400	400	400	400	400	400	400
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DIVISION - INVESTMENT

I. Purpose

The purpose of the Office of the Investment Commissioner is for the protection of Montana investors.

II. General Powers and Duties

The office of the Investment Commissioner is under the general supervision and control of the State Auditor, the ex officio Investment Commissioner, and is charged with the administration of the provisions of the Securities Act of Montana.

Briefly stated the Securities Act provides for the following:

- (a) Registration of securities by notification, coordination and qualification
- (b) Registration of broker-dealers
- (c) Registration of investment advisers
- (d) Registration of salesmen
- (e) Investigations and examinations within the state.

In addition to the above the investment commissioner is empowered to promulgate, amend and rescind such rules and forms as are necessary to carry out the provisions of said act.

The commissioner maintains a close liason between securities administrators of other states and the United States Securities and Exchange Commission. The result is an exchange of valuable information including information with respect to promoters and their activities and background information on applicants for registration as securities salesmen, broker-dealers and investment advisers.

III. Accomplishments and Services Rendered

Securities of 302 companies were initially registered during the 1972-73 fiscal year, having a total valuation of \$137,830,184.50. The securities registration of 327 companies was renewed for an aggregate valuation of \$132,531,135.74. During the same period the office registered 16 broker-dealers, three investment advisers and renewed the registrations of 124 broker-dealers and eight investment advisers. The office also processed 1,055 securities salesmen registrations.

In addition to the above, the office reviewed and examined the securities registration of an additional 103 companies which were withdrawn due to market conditions or by the request of the commissioner.

The purpose of this document is to provide a comprehensive overview of the project and its objectives. The document is organized as follows:

2. Project Overview

The project is a research study aimed at understanding the impact of the proposed system on the overall performance of the organization. The study will be conducted in three phases: (a) data collection, (b) data analysis, and (c) reporting.

The following sections describe the methodology, data collection, data analysis, and reporting. The methodology section describes the research design and the data collection process. The data analysis section describes the statistical methods used to analyze the data. The reporting section describes the format and content of the final report.

(a) Description of the project objectives

(b) Description of the project methodology

(c) Description of the project results

(d) Description of the project conclusions

The project objectives are to (a) understand the impact of the proposed system on the overall performance of the organization, (b) identify the factors that influence the performance of the organization, and (c) develop a plan to improve the performance of the organization.

The project methodology is a research study aimed at understanding the impact of the proposed system on the overall performance of the organization. The study will be conducted in three phases: (a) data collection, (b) data analysis, and (c) reporting.

The project results are the findings of the research study, which will be presented in the final report.

The project conclusions are the findings of the research study, which will be presented in the final report.

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Investigations by this department, as well as the exchange of information with the securities commissioners of other states and the United States Securities and Exchange Commission, have caused numerous dubious offers and sales of securities in Montana to be halted. It is also well to mention that the departments' liason with other states and the United States Securities and Exchange Commission has also resulted in severely curtailing or stopping these same sales and offers of securities in other states as well.

FINANCIAL RECAP

Investment Regulation and Licensing

Personal Services	\$30,055.16
Operations	<u>2,822.42</u>
<u>Total</u>	<u>\$32,877.58</u>

Source of Funding

General Fund	<u>\$32,877.58</u>
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Statement of Income - 7/1/72 to 6/30/73	<u>\$120,885.75</u>
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Statement of Financial Position

Assets

Current Assets

Long-term Assets

Liabilities

Equity

Total

ADMINISTRATION - HAIL INSURANCE

Services Provided - Hail insurance at a minimum cost to all Montana grain farmers. Any farmer who applies to his county assessor for hail insurance with the state hail fund and who meets the requirements of not having more than one year's delinquent premium against his real estate is issued a hail policy. This results sometimes in a very high liability in certain areas which greatly increases the risk assumed by this board and makes an ample reserve fund vitally necessary to pay all losses in full.

Objective - The objective of the State Board of Hail Insurance is to give our farmers the best service possible by having their losses adjusted promptly by competent adjusters and paying proven losses in full.

Specific target group is the grain farmers of Montana.

1971-1972 - 1973 - 1974

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ACHIEVEMENTS - HAIL INSURANCE

The success of the Hail Insurance program depends on a satisfied policy holder. This has been achieved by our past services and proven by a steady growth of business. Relationship to the independent hail insurance companies has been improved. Their cooperation is beneficial to a satisfactory loss adjustment.

In the fifty-five years of existence, this agency has been self supporting.

PROGRAM COST SUMMARY - HAIL INSURANCE

	<u>Fiscal Year 1971-72</u>	<u>Fiscal Year 1972-73</u>	<u>Increase</u>
Hail Insurance	\$ <u>967,169</u>	\$ <u>1,001,597</u>	\$ <u>34,428</u>
<u>Total Program</u>	\$ 967,169	\$ 1,001,597	\$ 34,428
Personal Services	\$ 38,294	\$ 41,710	
Operating	20,099	24,504	
Grants and Transfers	908,776	935,383	
Earmarked Revenue Fund	\$ 58,393	\$ 66,214	
Agency Fund	<u>908,776</u>	<u>935,383</u>	
Total Funding	\$ <u>967,169</u>	\$ <u>1,001,597</u>	

PERFORMANCE INDICATORS - HAIL INSURANCE

Factor	Fiscal Year 1972-73	Fiscal Year 1971-72
Policies issued	2,634	2,576
Losses paid	180	471
Days with hail		63
Total risk written	\$11,680,000	\$10,177,714.32
Premium charge	1,042,000	908,297.06
Losses paid	142,525	380,439.22

PRINCIPAL OFFICERS - HAIL INSURANCE BOARD

<u>Officer - Term of Office</u>	<u>Home Address</u>
Maurice W. Smith Administrative Director	3124 Vigilante Drive Helena, Montana 59601
James W. Stephens, Chairman 4-18-70 to 4-18-76	Dutton, Montana 59433
Thomas A. Deveny 4-18-71 to 4-18-74	Forsyth, Montana 59327
Adrien R. Long 4-18-69 to 4-18-75	Wolf Point, Montana 59201
Hollis G. Connors Ex Officio	205 North Harrison Avenue Townsend, Montana 59644
George T. Lackman Ex Officio	2023 Eighth Avenue Helena, Montana 59601

Principal Office

1300 Cedar Street - Helena, Montana 59601

